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NEWS



30TH ANNIVERSARY

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CAB sales up 8.8% to record 634 million pounds

WOOSTER, Ohio – Dec. 9, 2008 – For the first time in 30 years, *Certified Angus Beef*® (CAB) brand annual sales reached 634 million pounds. In fiscal 2008, 15,000 CAB licensees in 46 countries achieved an 8.8% increase, or 51 million pounds more than 2007 sales.

Despite a challenging economy, the brand saw six of its historical top 10 sales months in the past year, including the all-time high in August with sales of 58 million pounds.

“What our customers accomplished this year is nothing short of amazing,” said John Stika, president of Certified Angus Beef LLC. “Their success continues to drive the message that we need more high quality cattle.” And producers have responded.

More than 14.2 million cattle were identified for the brand – a notable increase of more than 750,000 head in the past year – and 2.5 million were certified. Acceptance rates rose to 17.8% from 16% in 2007. During June, July and August, the share of Angus-influenced cattle in packing plants averaged more than 60%, including a record 64% for the third week of August.

The supply development team developed a “Best Practices Manual” for producers, with information on selection, management and marketing of Angus-influenced cattle to hit the brand’s quality target.

To maintain focus on demand for quality beef, CAB joined with Pfizer Animal Health, Land O’ Lakes Purina Mills and *Drovers*/food360 to form Consumer First Beef Partners, providing a bridge between consumers and the beef industry.

Licensed retailers increased sales by more than 10%, selling more than 318 million pounds and accounting for 53% of all CAB pounds sold. International sales increased nearly 20%, totaling 62.1 million pounds; Canadian partners led the division, with notable gains in Mexico, Asia and the Caribbean. The foodservice division increased sales by 4.5 million pounds for a total of 213 million pounds sold and 42% of total sales.

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Premium chain licensees such as Fogo de Chão Churrascaria Brazilian Steakhouse introduced the brand, while individual and chain restaurant partners featured new cuts, developed creative menu applications, offered samples to prospective customers and created targeted promotions.

Value-added product sales set a record with sales exceeding 14 million pounds for the year. Innovative items, including a marinated London broil and a meatloaf designed for retailers' deli rotisseries, filled new niches.

The CAB brand Natural extension continued to gain popularity, especially at retail, with sales increasing 25% last year. Consumers also drove sales of more than 5.2 million pounds of CAB brand Prime, demanding only the finest in premium beef.

“Our success, and that of our partners, lies in our ability to be relevant in today’s market,” Stika said. “Whether it’s our Natural line, our Certified Angus Beef brand Prime or a value-added product, we look to marry premium beef with the demands of today’s versatile consumer.”

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